

## **REQUEST FOR PROPOSAL EMPLOYEE BENEFIT BROKERAGE CONSULTING SERVICES**

### **I. INVITATION**

The City of Lincoln is interested in obtaining the services of a professional, highly qualified benefits brokerage and consulting firm to provide a full range of services related to the design, implementation, analysis, maintenance, improvement, and communication of an employee insurance benefits program.

Interested and qualified brokers/consultants who have demonstrated their ability at comparable work are invited to submit proposals.

**Proposals will be accepted until 5:00 p.m. Wednesday, July 5, 2017.** Submittals and requests for information relative to this Request for Proposal should be addressed to:

**Astrida Trupovnieks, MA MBA**  
**Human Resources Manager**  
**City of Lincoln**  
**600 Sixth Street**  
**Lincoln, CA 95648**  
**916-434-2491**  
[astrida.trupovnieks@lincolncalifornia.gov](mailto:astrida.trupovnieks@lincolncalifornia.gov)

Written responses and all supporting materials must be submitted in one original plus one copy, or one original and a copy on a thumb drive.

**Please note that the City of Lincoln is not asking for, nor authorizing, your soliciting quotes from insurance carriers.**

### **II. BACKGROUND OF THE CITY OF LINCOLN**

The City of Lincoln operates under the City Council-City Manager form of government. The City has approximately 150 benefit eligible employees. The City offers the following benefit options to active benefit eligible employees:

- ❖ CalPERS PEMHCA Health Program
- ❖ Delta Dental (PPO – Dental Trust)
- ❖ Vision Services Plan (Self-funded)
- ❖ ACI Specialty Benefits (EAP)
- ❖ Cigna Group Life US Life AIG (Voluntary Life and AD&D)

- ❖ Flexible Spending Accounts (Section 125) (AFLAC) 457 Deferred Comp (ICMA-RC, FTH/Fund Choice and ING

Currently, the City of Lincoln obtains dental and vision insurance coverage for its employees through Placer County. The Northern California Cities Self Insurance Fund (NCCSIF), the City's insurance risk pool provides EAP services; Group Life is negotiated by bargaining unit. Currently, the coverages are:

- 1) Mid Management and Confidential Employees- \$50,000 term life insurance
- 2) Public Safety Mid Management- \$100,000 term life insurance for Police Lieutenant, Fire Battalion Chief and Sergeants, and \$25,000 for others in this unit
- 3) Lincoln Professional Firefighters- \$25,000 term life insurance
- 4) Lincoln Police Officers- \$45,000 term life insurance
- 5) Administrative and Professional- \$25,000 term life insurance
- 6) Classified-\$25,000 term life insurance
- 7) Unrepresented employees- \$100,000 term life insurance

The City does not currently provide Short/Long Term Disability Insurance. COBRA is available for employees who leave city service. The administration of COBRA is performed by HR staff. Online benefits administration, including enrollment, is not currently provided.

The City is a member of Northern California Cities Self-Insurance Fund (NCCSIF) and the California Joint Powers Risk Management Authority (CJPRMA). The city retains self-insurance funding levels, and shares risk with other insurance pool members beyond the self-insurance retention levels for workers compensation and liability. The latter is an excess insurance risk pool. NCCSIF serves as broker for property insurance. The current EAP provider is a service provided by the risk pool, and as such will not be a subject of the scope of services.

### **Scope of Services**

The City of Lincoln is seeking a broker/consultant to perform the full range of services related to the design, implementation, maintenance, communication, and improvement of the City of Lincoln group dental, vision, life, EAP, LTD/STD, FSA and DC benefit programs for active employees. The City will not require brokerage services for health insurance, or EAP services as noted above

Specific responsibilities include, but are not limited to the following:

- ❖ Assisting the City of Lincoln in administering all listed group insurance plans, responding to questions from and providing information to staff, and providing other consulting services during the course of the plan year.
- ❖ Researching and advising the City of Lincoln of any new developments in the law and employee benefit programs on an ongoing basis.
- ❖ Determining and recommending the most economical funding methods for the benefit programs.
- ❖ Representing the City of Lincoln on in all negotiations with providers on all issues including those related to premiums, benefit levels, plan design, and special terms and conditions.

- ❖ Meeting with and providing reports to various City of Lincoln representatives including City Council, City Manager, and Human Resources staff. Assisting the City of Lincoln with the implementation and communication of new programs or changes to existing programs, which may include attending and presenting information at Open Enrollment meetings.
- ❖ As requested by the City of Lincoln, preparing bid specifications and soliciting proposals from insurance markets which specialize in group insurance plans as needed. Evaluate bids and bidders, including administration, claim payment procedures, customer service, network, reserve establishment policies, financial soundness, and identifying the most cost-beneficial package from among the various bidders.
- ❖ Provide COBRA administration for the City of Lincoln during the length of the contract.
- ❖ Provide online benefits services to employees to interface with insurance carriers as needed to assist the City of Lincoln in the resolution of problems associated with the benefit programs.

### III. SCHEDULE FOR THE RFP

	<u>Completion Date</u>
○ RFP distributed	June 16, 2017
○ Responses to RFP due	July 5, 2017
○ Committee reviews responses	Week of July 10, 2017
○ Conduct interviews with selected broker/consultants	Week of July 17, 2017
○ Select broker/consultant	July 24, 2017,
○ City of Lincoln Council Approval (if necessary)	August 22, 2017
○ Tentative Broker Effective Date	August 25, 2017

### IV. CONTRACT LENGTH

This proposal is for awarding a contract to cover a two year period. Much of the work of implementing planning and execution is done in the first year. I would suggest awarding this for at least two years with a third year option. The first year applicable in the agreement will begin on September 1. The City may, at its option and with the approval of the consultant, extend the period of this agreement up to a maximum of two (2) one-year options, provided the scope of the engagement does not change. Termination of the Agreement by the City can occur at any time during the Agreement period and at the City's discretion.

### V. SELECTION PROCESS

The Contract award will be made after the selection of one (1) respondent's proposal from among all respondents with implementation of services to follow. However, this RFP does not indicate a commitment by the City to award a contract to any successful respondent. An award of contract is estimated to occur within approximately forty-five (45) calendar days after receipt of proposals. The City intends to evaluate the proposed services based upon the data presented in response to the RFP. The proposals will then be reviewed based on qualifications, specific experience, references, familiarity with the services and pricing, and then rated according to which company best meets the City's requirements.

Those firms whose proposals most closely meet the needs of the City of Lincoln may be required to attend an interview with the City of Lincoln staff the week of failure to attend this meeting, if selected, may give cause to have your proposal declared nonresponsive, at the City's discretion.

## VI. KEY CONSIDERATIONS & EVALUATION CRITERIA

The RFP responses will be evaluated based upon the following:

- ❖ Perceived ability of broker to negotiate a benefits program that meets the needs of the City of Lincoln.
- ❖ Broker's demonstrated expertise in negotiating benefit plans on behalf of clients similar to the City.
- ❖ Broker's knowledge and/or technical support related to the implementation of an online benefits service process.
- ❖ Broker's and other assigned staff's availability and accessibility, including the location of the office that will be servicing our account.
- ❖ The experience, professional credentials, and references of those persons who will actually be servicing our account.
- ❖ Broker's conceptual approach and ideas related to service, as well as how they will manage our account.
- ❖ Broker's ability to provide proactive support to the City of Lincoln Human Resources function including dissemination of current general and legal updates as well as time-sensitive insurance carrier information.

### **General Information**

All proposals and related materials become the property of the City of Lincoln on and may be returned only at its option.

The City of Lincoln is not obligated to accept any proposal or to negotiate with any respondent. All transactions are subject to the final approval of the City of Lincoln who reserves the right to reject any or all proposals without cause or liability.

All costs directly or indirectly related to responding to this RFP (including all costs incurred in supplementary documentation, information or presentation) will be borne by the proposer.

## VII. BROKER/CONSULTANT QUALIFICATIONS

To assist in the evaluation of potential brokers/consultants, please provide the following information:

- 1) Firm name, address, and contact information.
- 2) Telephone, facsimile, and Internet address.
- 3) Type of firm: individual, partnership, corporation, subsidiary, or government entity.
- 4) Organizational structure of the firm, history, including number of years in existence, number and location of offices, total number of employees.
- 5) Describe the ability of your firm to provide local service to sites/offices located in Lincoln.
- 6) Names and titles of all principals/officers of the firm (name, title, phone number).

- 7) List applicable certifications and licenses and the associated numbers.
- 8) How many years has your firm been providing health, dental, life and vision benefits services to municipalities?
- 9) List the municipalities your firm provided similar services for within the past three (3) years. Include the number of employees for each agency.
- 10) Discuss your company's resources and activities as they relate to knowledge and understanding of our industry.
- 11) Describe the responsibility, experience, and qualifications of the individual(s) who would comprise the service team.
- 12) Describe the firm's philosophy for servicing an account and commitment to customer service and quality assurance.
- 13) Describe your firm's resources or methods to provide education on best practices, trends, or hot topics.
- 14) Describe the organization's legal research capabilities and how you communicate legislative updates to your clients.
- 15) Describe your underwriting resources, procedures, and staff. This may not be applicable due to your current size.
- 16) Describe your renewal process and timelines.
- 17) What resources does your firm offer to assist with the administration of a benefits program (i.e. on-line benefits system and management, retiree medical contribution and COBRA administration, and flexible spending account administration)?
- 18) Describe your firm's capabilities with regard to communication. Include ongoing employee communication/open enrollment and web based communications. Share examples.
- 19) Describe the firm's Errors and Omissions (E&O limits) and provide evidence your company carries all applicable insurance coverages and licenses.
- 20) Describe the resources and tools available for benchmarking.
- 21) Describe the firm's view of the role wellness programs have on controlling healthcare costs. What resources and tools do you offer clients around wellness initiatives?
- 22) Describe the firm's experience in coordinating with, or knowledge of insurance pools. Discuss your philosophy related to the concept of insurance pools.
- 23) Describe your firm's commitment to diversity in both your employment practices and in client relations.
- 24) Fee Information – Describe your method of compensation for your services. Discuss how your method of compensation will be transparent and reported to our team. Does your company accept any carrier "overrides"? If on a commission basis, would your company be taking any form of compensation beyond the commission built into our premium rates? If selected, what are your methods of disclosing compensation to the City and the frequency of that disclosure?
- 25) How will you save The City of Lincoln money? How will you demonstrate the savings?

26) Specifically, describe any fees to be incurred by the City of Lincoln should your firm be the successful insurance broker.

## VIII. CONTRACT

The firm selected shall be required to enter into a Consulting Services Agreement for this project with the City of Lincoln. Any contract resulting from this RFP shall not be effective unless, and until, approved by the City of Lincoln, which may require City Council approval. Upon approval, the contract shall start within one day after the award of the contract.

Before the City executes a contract, the selected firm shall furnish the City certificates evidencing insurance, as required by the City of Lincoln. The City shall be named as additional insured. Certificates of Insurance must be accompanied by the applicable endorsements for the specific insurance policy.

## IX. OTHER PROPOSAL INFORMATION

- A. Reservations – Issuance of this RFP does not commit the City of Lincoln to award a contract, to pay any costs incurred in the preparation of a response to this request, or to procure a contract for services. The execution of any contract pursuant to this RFP is dependent upon the approval of the City of Lincoln, which may require City Council approval.

The City of Lincoln reserves the right to waive any irregularities or informalities in the proposal or proposal process. The City of Lincoln retains the right to reject all submittals. Selection is also dependent upon the negotiation of a mutually acceptable contract with the successful respondent.

- B. Acknowledgment of Amendments – Each firm receiving a copy of this shall acknowledge receipt of any amendment to this RFP by signing and returning the amendment with the completed proposal. The acknowledgment must be received by the City of Lincoln at the time and place specified for receipt of proposal.
- C. Additional Information – Questions regarding this solicitation shall be submitted in writing to:

**Astrida Trupovnieks MA MBA**  
**Human Resources Manager**  
**City of Lincoln**  
**600 Sixth Street**  
**Lincoln, CA 95648**  
**916-434-2491**  
astrida.trupovnieks@lincolncalifornia.gov

Respondents/firms are cautioned that any oral statements made that materially change any portion of this RFP are not valid unless subsequently ratified by a formal written amendment to this RFP. No technical questions that may materially change any portion of this RFP will be accepted during the seven calendar days prior to the time and date set for receipt of proposals.

- D. Right to Cancel – The City reserves the right to cancel, for any or no reason, in part or in its entirety, this RFP, including but not limited to: selection schedule, submittal date, and submittal requirements.



- E. Variations in Scope of Work – The City may materially change the scope of work. Such changes may include additions, deletions, or other revisions within the general scope of RFP requirements. No material changes or adjustments shall be made without a written amendment to this RFP, signed by the City Clerk. The City of Lincoln reserves the right to waive the written requirement for a variation in the scope of work if, in the opinion of the City, such variation does not materially change the item or its performance within parameters acceptable to the City.
- F. Applicable Laws – The contract awarded shall be governed in all respect by the laws of the State of California, and any litigation related to the contract or this RFP shall be brought in the State of California, with a venue of the. The firm awarded the contract shall comply with all applicable Federal, State, and local laws and regulations.
- G. Nonconforming Terms and Conditions – Any proposal that includes terms and conditions that do not conform to the terms and conditions of this RFP is subject to rejection as non-responsive. The City of Lincoln reserves the right to permit the respondent to withdraw non-conforming terms and conditions from its proposal prior to action by the City of Lincoln City Council to award a contract.
- H. Late Submissions – Any proposal received after the date and time specified for receipt shall not be accepted or considered.
- I. Public Information – All documents received by the City of Lincoln are considered public records and will be made available after the RFP selection for public inspection and copying upon request.